

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: W. R. Grace & Co., et al
Debtor

Case No. **01-01139** Jointly Administered
Reporting Period: August 2004

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (con't)	X	
Copies of bank statements		X	
Cash disbursements journals			Not available
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			Not available
Copies of Federal income tax returns filed during reporting period			None filed
Summary of Unpaid Postpetition Debts	MOR-4		See Note #4
Listing of aged accounts payable			See Note #4
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	X	


I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the documents attached are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date



Signature of Authorized Individual*

27 SEPT 2004

Date

Robert M. Tarola

Printed Name of Authorized Individual

Senior Vice President and
Chief Financial Officer

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

W. R. Grace & Co.
Monthly Financial Report
August 31, 2004

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Monthly Operating Report

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Federal Income Tax Returns

None

Forward-Looking Information

This monthly financial report contains forward-looking information that involves risks and uncertainties. For such information, Grace claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Actual results could differ materially from the results predicted, and reported results should not be considered as a indication of future performance. Factors that could cause actual results to differ from those contained in the forward-looking information include those factors set forth in Grace's most recent Annual Report on Form 10-K and quarterly reports on Form 10-Q, which have been filed with the Securities Exchange Commission.

Statement of Confidentiality

The information contained in the monthly financial report contains confidential information of W. R. Grace & Co. and its subsidiaries (the "Confidential Information"). The Confidential Information has been prepared solely for information purposes and may not be disclosed to any person or entity or reproduced, disseminated or disclosed, in whole or in part, except to officers, directors, employees, and representatives of the recipient ("Representatives") or as required by applicable law or regulation. By receipt of the Confidential Information, each recipient agrees to (1) use the Confidential Information only to enhance its understanding of Grace and its businesses, and (2) inform its Representatives of the confidential nature of such information and direct them to treat such information in accordance with the terms. Each recipient agrees to be responsible for any breach of these provisions by any of its Representatives.

Monthly Operating Report

Chart 1

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

August 2004

	JP-Morgan Chase Disbursement 9101013572	Wachovia Lockbox 8619039102	FirstUnion Deposit Acct 2199500021812	FirstUnion Payroll 2079900003615	Merrill Lynch Investment 3323735	Merrill Lynch Investment 3343175	JP-Morgan Chase Holding 323223141
CASH BEGINNING OF MONTH	\$ 111,568	\$ -	\$ (0)	\$ 0	\$ 201,181,493	\$ 0	\$ 740,643
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES							
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES			543,837		178,167		
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	200,000			2,085,562	49,400,000		
MISCELLANEOUS			27,101	16,416			567
TOTAL RECEIPTS	200,000	-	570,938	2,081,978	49,578,167	-	567
DISBURSEMENTS							
PAYROLL				1,405,476			
PAYROLL TAXES				676,502			
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES	214,049						
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			570,938		88,100,000		
MISCELLANEOUS							
TOTAL DISBURSEMENTS	214,049	-	570,938	2,081,978	88,100,000	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(14,049)	-	-	-	(38,521,833)	-	567
CASH - END OF MONTH	97,519	-	(0)	0	162,659,660	0	741,210

Note #1

Various payments are made by W. R. Grace & Co. - Conn on behalf of other debtor entities. Such activity may include salary of employees, legal and professional fees, and other expenditures, and is generally recorded via intercompany accounts. In addition, certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

August 2004

	JP Morgan Chase Concentration 16001257	Bank of America Lockbox 8188203114	First Union Concentration 2000000282172	First Union Payroll 2079900016741	First Union Petty Cash 2079900005600	Citic Bank Payroll 15502015738	First Union Libby Medical 2079900065008
CASH BEGINNING OF MONTH	\$ 273,513	\$ 518,739	\$ 0	\$ -	\$ (0)	\$ 0	\$ -
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES		46,259,010					
ACCOUNTS RECEIVABLE - INTERCOMPANY		461,757					
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES	1,553,222				1,471		
TRANSFERS IN - NONFILING ENTITIES	20,656,486						
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	183,288,093		80,000,000	5,258,950	5,977		191,072
MISCELLANEOUS							
TOTAL RECEIPTS	205,497,801	46,720,767	80,000,000	5,258,950	7,447	-	191,072
DISBURSEMENTS							
PAYROLL				3,615,947			
PAYROLL TAXES				1,643,002			
TRADE PAYABLES - THIRD PARTIES	274,586						
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES	186,455						
TRANSFERS OUT - THIRD PARTIES	4,476,851	672,095					
TRANSFERS OUT - NONFILING ENTITIES	60,793,634						
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	139,743,759	44,587,731	76,604,645				
MISCELLANEOUS			3,395,355		7,447		191,072
TOTAL DISBURSEMENTS	205,475,296	45,259,826	80,000,000	5,258,950	7,447	-	191,072
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	22,505	1,460,941	-	-	-	-	-
CASH - END OF MONTH	296,018	1,979,680	0	-	(0)	0	-

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Chart 1

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

August 2004

	First Union Accts Payable 2079920005761	First Union Payroll 2079900067554	Wachovia Lockbox 1866-082535	First Union Accts payable 2079900005260	First Union Accts Payable 2079900005231	Allfirst Payroll 16298831	SunTrust Payroll 00000141309	PNC 4002641380
CASH BEGINNING OF MONTH	\$ (0)	\$ -	\$ 0	\$ 0	\$ 0	\$ 47,325	\$ 45,246	\$ 24,567
RECEIPTS								
ACCOUNTS RECEIVABLE - THIRD PARTIES			33,159,190					
ACCOUNTS RECEIVABLE - INTERCOMPANY			16,614,617					
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI								
DIP BORROWINGS								
TRANSFERS IN - THIRD PARTIES								
TRANSFERS IN - NONFILING ENTITIES								
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	36,347,024	1,405,866		2,518,040	28,812,154	4,074,952		
MISCELLANEOUS					3,656,225			
TOTAL RECEIPTS	36,347,024	1,405,866	49,773,807	2,518,040	32,468,379	4,074,952	-	-
DISBURSEMENTS								
PAYROLL		905,843				2,062,901		
PAYROLL TAXES		452,411				1,191,002		
TRADE PAYABLES - THIRD PARTIES	35,079,122			2,065,902	32,468,379			
TRADE PAYABLES - INTERCOMPANY								
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI								
DIP PRINCIPAL REPAYMENTS								
DIP INTEREST AND USAGE FEES								
TRANSFERS OUT - THIRD PARTIES								
TRANSFERS OUT - NONFILING ENTITIES								
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			49,469,620					
MISCELLANEOUS	1,267,902	47,612	304,166	452,138		2,471		71
TOTAL DISBURSEMENTS	36,347,024	1,405,866	49,773,807	2,518,040	32,468,379	3,256,373	-	71
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-	-	-	818,579	-	(71)
CASH - END OF MONTH	(0)	-	0	0	0	865,904	45,246	24,496

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Chart 1

W. R. Grace & Co. - Conn
 Schedule of Cash Receipts and Disbursements
 MOR-1
 August 2004

	Hibernia Natl Disbursement 101391210	Bank of America Payroll 0000 0002 2137	Allfirst Payroll 16298657	First Union Petty Cash 2040000016900	Banco de Credito Operating Acct 1931116122058	Banco de Credito Operating Acct 1931125963172	Banco de Credito Time Deposit 0015820
CASH BEGINNING OF MONTH	\$ 10,000	\$ -	\$ 275,382	\$ 56,332	\$ 4,517	\$ 123,741	\$ -
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES					13,987	100,674	
ACCOUNTS RECEIVABLE - INTERCOMPANY							
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI							
DIP BORROWINGS							
TRANSFERS IN - THIRD PARTIES					35,356		
TRANSFERS IN - NONFILING ENTITIES							
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS			5,242,712				
MISCELLANEOUS			909				
TOTAL RECEIPTS	-	-	5,243,620	-	49,343	100,674	-
DISBURSEMENTS							
PAYROLL			3,421,159		7,363		
PAYROLL TAXES			1,729,777		5,251		
TRADE PAYABLES - THIRD PARTIES							
TRADE PAYABLES - INTERCOMPANY							
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI							
DIP PRINCIPAL REPAYMENTS							
DIP INTEREST AND USAGE FEES							
TRANSFERS OUT - THIRD PARTIES					34,259	35,000	
TRANSFERS OUT - NONFILING ENTITIES							
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS							
MISCELLANEOUS					5,433	11,903	
TOTAL DISBURSEMENTS	-	-	5,150,936	-	52,306	46,903	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	92,684	-	(2,963)	53,771	-
CASH - END OF MONTH	10,000	-	368,066	56,332	1,555	177,511	-

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Chart 1

W. R. Grace & Co. - Conn

Schedule of Cash Receipts and Disbursements

MOR-1

August 2004

	Bank of Boston Operating Acct 0154519	Bank of Boston Operating Acct 0154424	Cash in Transit	Cash on Hand	Other	CURRENT MONTH	
						ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 7,696	\$ 251,314	\$ 559,803	\$ 43,925	\$ 1,465,549	\$ 205,741,355	
RECEIPTS							
ACCOUNTS RECEIVABLE - THIRD PARTIES	12	243,611				79,778,483	
ACCOUNTS RECEIVABLE - INTERCOMPANY						17,076,374	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI						-	
DIP BORROWINGS						-	
TRANSFERS IN - THIRD PARTIES						2,312,053	
TRANSFERS IN - NONFILING ENTITIES						20,658,488	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS						398,810,401	
MISCELLANEOUS						3,701,217	
TOTAL RECEIPTS	12	243,611				522,333,014	
DISBURSEMENTS							
PAYROLL	411					11,419,100	
PAYROLL TAXES	2,367					5,700,312	
TRADE PAYABLES - THIRD PARTIES		114,222				70,002,221	
TRADE PAYABLES - INTERCOMPANY						-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI						-	
DIP PRINCIPAL REPAYMENTS						-	
DIP INTEREST AND USAGE FEES						186,455	
TRANSFERS OUT - THIRD PARTIES						5,432,254	
TRANSFERS OUT - NONFILING ENTITIES						60,793,634	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS			559,803			399,636,496	
MISCELLANEOUS	850	5,622			1,066,786	6,758,848	
TOTAL DISBURSEMENTS	3,628	119,844	559,803	-	1,066,786	559,929,321	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(3,616)	123,767	(559,803)	-	(1,066,786)	(37,596,307)	
CASH - END OF MONTH	4,080	375,081	0	43,925	398,763	168,145,048	\$ -

Note #1

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W.R. Grace & Co.

Schedule of Cash Receipts and Disbursements

MOR-1

August 2004

	J.P. Morgan Chase Pass Through 323881963	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ (0)	\$ (0)	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	826,105	826,105	
TOTAL RECEIPTS	826,105	826,105	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	826,105	826,105	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	826,105	826,105	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ (0)	\$ (0)	\$ -

Remedium Group, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

August 2004

	JP Morgan Chase Depository/Wire 323883842	JP Morgan Chase Disbursement 801831985	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ (81,950)	\$ (2,254)	\$ (84,204)	
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES				-	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES	10			10	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		826,105		826,105	
TOTAL RECEIPTS	10	826,105	-	826,115	
DISBURSEMENTS					
PAYROLL				-	
PAYROLL TAXES				-	
TRADE PAYABLES - THIRD PARTIES				-	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES		838,559	149	838,707	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	10			10	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	10	838,559	149	838,717	
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	(12,454)	(149)	(12,602)	
CASH - END OF MONTH	-	(94,404)	(2,403)	(96,807)	

Darex Puerto Rico, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

August 2004

	Citibank Operating Acct 300153011	Petty Cash	Other	CURRENT MONTH	
				ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 3,367,149	\$ 1,500	\$ (51,673)	\$ 3,316,976	
RECEIPTS					
ACCOUNTS RECEIVABLE - THIRD PARTIES	607,403			607,403	
ACCOUNTS RECEIVABLE - INTERCOMPANY				-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI				-	
DIP BORROWINGS				-	
TRANSFERS IN - THIRD PARTIES				-	
TRANSFERS IN - NONFILING ENTITIES				-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	325,397			325,397	
TOTAL RECEIPTS	932,800	-	-	932,800	-
DISBURSEMENTS					
PAYROLL	7,744			7,744	
PAYROLL TAXES				-	
TRADE PAYABLES - THIRD PARTIES	293,188			293,188	
TRADE PAYABLES - INTERCOMPANY				-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI				-	
DIP PRINCIPAL REPAYMENTS				-	
DIP INTEREST AND USAGE FEES				-	
TRANSFERS OUT - THIRD PARTIES				-	
TRANSFERS OUT - NONFILING ENTITIES				-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS	325,397			325,397	
MISCELLANEOUS				-	
TOTAL DISBURSEMENTS	626,329	-	-	626,329	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	306,471	-	-	306,471	-
CASH - END OF MONTH	3,673,620	1,500	(51,673)	3,623,447	-

CC Partners			
Schedule of Cash Receipts and Disbursements			
MOR-1			
August 2004			
	First Union Deposit Acct 2199500031802	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ -	\$ -	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ -	\$ -	\$ -

Chart 1

Kootenai Development Company
Schedule of Cash Receipts and Disbursements
MOR-1
August 2004

	First National Bank of Montana 1049097	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 17,363	\$ 17,363	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 17,363	\$ 17,363	\$ -

Grace Europe, Inc.

Schedule of Cash Receipts and Disbursements

MOR-1

August 2004

	Barclays Bank PLC	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ (657)	\$ (657)	
RECEIPTS			
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS	7	7	
TOTAL RECEIPTS	7	7	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	7	7	-
CASH - END OF MONTH	\$ (650)	\$ (650)	\$ -

Gloucester New Communities Company, Inc.
Schedule of Cash Receipts and Disbursements
MOR-1
August 2004

	Cash On Hand	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 500	\$ 500	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 500	\$ 500	\$ -

Dewey & Almy, LLC

Schedule of Cash Receipts and Disbursements

MOR-1

August 2004

	Miscellaneous	CURRENT MONTH	
		ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	\$ 1,000	\$ 1,000	
RECEIPTS			
	No Activity		
ACCOUNTS RECEIVABLE - THIRD PARTIES		-	
ACCOUNTS RECEIVABLE - INTERCOMPANY		-	
ACCOUNTS RECEIVABLE AS SERVICER FOR GRPI		-	
DIP BORROWINGS		-	
TRANSFERS IN - THIRD PARTIES		-	
TRANSFERS IN - NONFILING ENTITIES		-	
TRANSFERS IN - FILING ENTITY CASH ACCOUNTS		-	
TOTAL RECEIPTS	-	-	-
DISBURSEMENTS			
PAYROLL		-	
PAYROLL TAXES		-	
TRADE PAYABLES - THIRD PARTIES		-	
TRADE PAYABLES - INTERCOMPANY		-	
ACCOUNT SECURITIZATION PAYMENTS AS SERVICER FOR GRPI		-	
DIP PRINCIPAL REPAYMENTS		-	
DIP INTEREST AND USAGE FEES		-	
TRANSFERS OUT - THIRD PARTIES		-	
TRANSFERS OUT - NONFILING ENTITIES		-	
TRANSFERS OUT - FILING ENTITY CASH ACCOUNTS		-	
MISCELLANEOUS		-	
TOTAL DISBURSEMENTS	-	-	-
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	-	-	-
CASH - END OF MONTH	\$ 1,000	\$ 1,000	\$ -

Chart 2

W. R. Grace & Co. - Conn
Bank Reconciliations
July 2004
MOR-1

	JP Morgan Chase Disbursement 9101013572		Wachovia Lockbox 8519039102		First Union Deposit Acct 2199500021812		Merrill Lynch Investment 3323735		Merrill Lynch Investment 31833431756	
Balance per books	\$	111,568	\$	-	\$	-	\$	201,181,493	\$	-
Bank Balance	\$	111,568	\$	-	\$	37,101	\$	201,181,493	\$	-
(+) Deposits in transit		-		-		-		-		-
(-) Outstanding checks		-		-		-		-		-
Other		-		-		(37,101)		-		-
Adjusted bank balance	\$	111,568	\$	-	\$	-	\$	201,181,493	\$	-
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity										
Unreconciled ledger activity										
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass										
Unrecorded deposit						(37,101)				

	JP Morgan Chase Holding 323223141	JP Morgan Chase Concentration 16001257	Bank of America Lockbox 8188203114	First Union Concentration 2000000282172	First Union Payroll 2079900016741
Balance per books	\$ 740,643	\$ 273,513	\$ 518,739	\$ -	\$ -
Bank Balance	\$ 741,210	\$ 273,513	\$ 1,255,807	\$ 2,600,590	\$ -
(+) Deposits in transit	-	-	-	-	-
(-) Outstanding checks	-	-	-	-	(164,783)
Other	(567)	-	(737,068)	(2,600,590)	164,783
Adjusted bank balance	\$ 740,643	\$ 273,513	\$ 518,739	\$ -	\$ -
Deposits in Transit	Date Amount	Date Amount	Date Amount	Date Amount	Date Amount
Outstanding Checks	Ck # Amount	Ck # Amount	Ck # Amount	Ck # Amount	Ck # Amount
					Detail available
Other:					
Transfers between bank accounts					
Accounting error					
Interest not recorded on books	(567)				
Bank fees not recorded on books					
Payroll tax payments not recorded					
Unreconciled bank activity			(368,534)	(3,200)	16,210
Unreconciled ledger activity				(3,200)	
Returned item adjustment					
Payroll/other activity in transit					
Petty cash funds					
Reporting reclass			(368,534)	(2,594,190)	148,573
Unrecorded deposit					

Chart 2

W. R. Grace & Co. - Conn
Bank Reconciliations
July 2004
MOR-1

	First Union Petty Cash 2079900005600		Civic Bank Payroll 15502015736		First Union Libby Medical 2079900005006		First Union Accts Payable 2079920005761		First Union Payroll 20799000067554	
Balance per books	\$ -		\$ -		\$ -		\$ -		\$ -	
Bank Balance	\$ -		\$ -		\$ -		\$ -		\$ -	
(+) Deposits in transit										
(-) Outstanding checks	(103)						(4,699.096)		(110,006)	
Other	103						4,699.096		110,006	
Adjusted bank balance	\$ -		\$ -		\$ -		\$ -		\$ -	
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
	12586	(15)					Detail Available		Detail Available	
	37009	(88)								
Other										
Transfers between bank accounts										
Accounting error										
Interest not recorded on books										
Bank fees not recorded on books										
Payroll tax payments not recorded										
Unreconciled bank activity		8,645						(13,103)		23,230
Unreconciled ledger activity		(11,698)						(829,839)		(4,862)
Returned item adjustment										
Payroll/other activity in transit										
Petty cash funds										
Reporting reclass		3,156						5,542,038		91,638
Unrecorded deposit										

W. R. Grace & Co. - Conn

Bank Reconciliations

July 2004

MOR-1

	Wachovia Lookbox 1866-082535		First Union Accts payable 2079900005260		First Union Accts Payable 2079900005231		Allfirst Payroll 16298831		SunTrust Payroll 00000141309	
Balance per books	\$ -		\$ -		\$ -		\$ 47,325		\$ 45,246	
Bank Balance	\$ 1,556,113		\$ -		\$ -		\$ 249,336		\$ 45,246	
(+) Deposits in transit	-		-		-		-		-	
(-) Outstanding checks	-		(1,055,211)		-		(205,703)		-	
Other	(1,556,113)		1,055,211		-		3,692		-	
Adjusted bank balance	\$ -		\$ -		\$ -		\$ 47,325		\$ 45,246	
Deposits in Transit	Date	Amount	Date	Amount	Date	Amount	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
			Detail Available				Detail Available			

	PNC 4002641960	Hibernia Natl Disbursement 101391210	Bank of America Payroll 0000 0002 2137	Allfirst Payroll 16298657	First Union Petty Cash 2040000016900
Balance per books	\$ 24,567	\$ 10,000	\$ -	\$ 275,382	\$ 56,332
Bank Balance	\$ 24,496	\$ 10,000	\$ -	\$ 303,329	\$ 40,946
(+) Deposits in transit	-	-	-	-	-
(-) Outstanding checks	-	-	-	(27,947)	-
Other	71	-	-	-	15,386
Adjusted bank balance	\$ 24,567	\$ 10,000	\$ -	\$ 275,382	\$ 56,332
Deposits in Transit	Date Amount	Date Amount	Date Amount	Date Amount	Date Amount
Outstanding Checks	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount
Other					
Transfers between bank accounts					
Accounting error					
Interest not recorded on books		71			
Bank fees not recorded on books					
Payroll tax payments not recorded					
Unreconciled bank activity					
Unreconciled ledger activity					
Returned item adjustment					
Payroll/other activity in transit					
Petty cash funds					
Reporting reclass					
Unrecorded deposit					

	Banco de Credito Operating Acct 1931115122058	Banco de Credito Operating Acct 1931125963172	Banco de Credito Time Deposit 0015820	Bank of Boston Operating Acct 0154519	Bank of Boston Operating Acct 0154424
Balance per books	(Solas) 15,456	(US\$) \$ 123,741	(US\$) \$ -	(Solas) 26,333	(US\$) \$ 251,314
Bank Balance	\$ 16,971	\$ 123,741	\$ -	\$ 26,508	\$ 251,314
(+) Deposits in transit	-	-	-	-	-
(-) Outstanding checks	(1,515)	-	-	(175)	-
Other	-	-	-	-	-
Adjusted bank balance	\$ 15,456	\$ 123,741	\$ -	\$ 26,333	\$ 251,314
Deposits in Transit	Date Amount	Date Amount	Date Amount	Date Amount	Date Amount
Outstanding Checks	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount	Ck. # Amount
	various (1,515)			762 (175)	
Other					
Transfers between bank accounts					
Accounting error					
Interest not recorded on books					
Bank fees not recorded on books					
Payroll tax payments not recorded					
Unreconciled bank activity					
Unreconciled ledger activity					
Returned item adjustment					
Payroll/other activity in transit					
Petty cash funds					
Reporting reclass					
Unrecorded deposit					

Remedium Group, Inc. Bank Reconciliations July 2004 MOR-1				
	JP Morgan Chase Pass Through 323883842		JP Morgan Chase Disbursement 601831985	
Balance per books	\$ -		\$ (81,950)	
Bank Balance	\$ -		\$ -	
(+) Deposits in transit	-		-	
(-) Outstanding checks	-		(85,045)	
Other	-		3,095	
Adjusted bank balance	\$ -		\$ (81,950)	
Deposits in Transit	Date	Amount	Date	Amount
Outstanding Checks	Ck. #	Amount	Ck. #	Amount
			5661	(300)
			5665	(60)
			5682	(45,418)
			5691	(200)
			5693	(162)
			5694	(211)
			5696	(26,984)
			5698	(2,054)
			5700	(1,945)
			5701	(270)
			5702	(65)
			5703	(100)
			5704	(6,720)
			5705	(400)
			5706	(156)
Other				
Transfers between bank accounts				
Accounting error				
Interest not recorded on books				
Bank fees not recorded on books				
Payroll tax payments not recorded				
Unreconciled bank activity				
Unreconciled ledger activity				
Returned item adjustment				3,095
Payroll activity in transit				
Petty cash funds				

W. R. Grace & Co. Bank Reconciliations July 2004 MOR-1		
	JP Morgan Chase Pass Through 323881963	
Balance per books	\$	-
Bank Balance	\$	-
(+) Deposits in transit		-
(-) Outstanding checks		-
Other		-
Adjusted bank balance	\$	-
Deposits in Transit	Date	Amt
Outstanding Checks	Ck. #	Amt
Other		
Transfers between bank accounts		
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		
Payroll tax payments not recorded		
Unreconciled bank activity		
Unreconciled ledger activity		
Returned item adjustment		
Payroll activity in transit		
Petty cash funds		

[illegible]

Darex Puerto Rico, Inc. Bank Reconciliations July 2004 MOR-1		
	Citibank Operating Acct 300153011	
Balance per books	\$ 3,367,149	
Bank Balance	\$ 3,315,650	
(+) Deposits in transit	96,635	
(-) Outstanding checks	(45,337)	
Other	201	
Adjusted bank balance	\$ 3,367,149	
Deposits in Transit	Date	Amt
	30-Jul-04	96,635
Outstanding Checks	Chk. #	Amt
	15461	(27)
	15904	(728)
	16971	(920)
	17050	(778)
	17056	(457)
	17077	(50)
	17094	(136)
	17095	(1,249)
	17097	(139)
	17098	(3,000)
	17099	(90)
	17101	(321)
	17102	(244)
	17103	(100)
	17105	(25)
	17107	(122)
	17108	(74)
	17109	(1,235)
	17110	(240)
	17112	(6,371)
	17113	(972)
	17114	(3,445)
	17115	(1,033)
	17116	(250)
	17117	(3,000)
	17118	(186)
	17119	(11,710)
	17120	(52)
	17121	(182)
	17122	(1,275)
	17123	(3,441)
	17124	(235)
	17125	(205)
	various	(3,044)
Other		
Transfers between bank accounts		
Accounting error		
Interest not recorded on books		
Bank fees not recorded on books		276
Payroll tax payments not recorded		87
Unreconciled bank activity		
Unreconciled ledger activity		(162)
Returned item adjustment		
Payroll activity in transit		
Petty cash funds		

11 of 12

[illegible]

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended August 31, 2004

	W.R. Grace & Co. - Conn.	W.R. Grace & Co.	Remedium Group, Inc.	CCHP, Inc.	CC Partners	Grace Washington Inc.	Litigation Management Inc.	Grace Europe, Inc.	L.B. Realty, Inc.
Net sales to third parties	\$ 77,126,728	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	31,671,900	-	-	-	-	-	-	-	-
Net sales to filing entities	267,133	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	765,660	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(7,713,949)	4,106,069	767,916	19,173	845,233	-	2,602,915	-	-
	102,117,472	4,106,069	767,916	19,173	845,233	-	2,602,915	-	-
Cost of goods sold to third parties	25,220,954	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	21,303,972	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	176,122	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	25,997,852	-	6,015	-	-	1,230	-	-	-
Research and development expenses	3,112,917	-	-	-	-	-	-	-	-
Depreciation and amortization	4,690,108	-	2,318	-	-	-	-	-	-
Interest expense	1,460,782	-	-	-	-	-	-	-	-
Other (income) expense	(413,893)	-	-	-	-	-	-	-	-
	81,548,814	-	8,333	-	-	1,230	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	20,568,657	4,106,069	759,582	19,173	845,233	(1,230)	2,602,915	-	-
Chapter 11 reorganization expenses, net	(1,020,588)	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	(987,558)	(1,437,124)	(266,034)	(6,710)	(295,831)	430	(911,020)	(1)	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ 18,560,511	\$ 2,668,945	\$ 493,548	\$ 12,463	\$ 549,402	\$ (800)	\$ 1,691,895	\$ (1)	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended August 31, 2004

	Grace International Holdings, Inc.	Darex Puerto Rico, Inc.	Alewite Land Corporation	Alewite Boston, Ltd.	Five Alewite Boston Ltd.	GN Holdings, Inc.	MRA Holdings Corp.	MRA Intermedco, Inc.	MRA Stirling Systems, Inc.	Koolenai Development Company
Net sales to third parties	\$ -	\$ 637,906	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	1,486,975	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	(681,845)	-	-	-	-	-	-	-	-	-
	805,130	637,906	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	303,992	8,947	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	104,286	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	98,998	57,410	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	7,938	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Other (income) expense	(13,242)	-	-	-	-	-	-	-	-	-
	(13,242)	515,214	66,357	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	818,372	122,692	(66,357)	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	(225,622)	(42,956)	23,226	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Net (loss) Income	\$ 592,750	\$ 79,736	\$ (43,131)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended August 31, 2004

	CB Biomedical, Inc.	Amicon, Inc.	Grace Environmental, Inc.	Grace Chemical Company of Cuba	Southern Oil Resin & Fiberglass, Inc.	Guanica Caribe Land Development Corporation	Dewey & Almy LLC	A-1 Blt & Tool Co., Inc.	Grace-Tarpon Investors, Inc.	G.C. Limited Partners I, Inc.
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Other (income) expense	-	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Net (loss) Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended August 31, 2004

	Monolith Enterprises, Incorporated	Grace Culinary Systems, Inc.	Grace Hotel Services Corporation	Monroe Street Inc.	Grace H-G Inc.	Hanover Square Corporation	Ecarg, Inc.	W.R. Grace Land Corporation	G.C. Management Inc.	Water Street Corporation
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Other (income) expense	-	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended August 31, 2004

	Del Taco Restaurants Inc.	W.R. Grace Capital Corporation	Gloucester New Communities Company, Inc.	Creative Food N' Fun Company	Grace PAR Corporation	Grace A-B Inc.	Homco International Inc.	GPC Thomasville Corp.	Grace Ventures Corp.	Grace Energy Corporation
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Other (income) expense	-	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended August 31, 2004

	GEC Management Corporation	Grace Offshore Company	Coalgrace, Inc.	Grace A-B II Inc.	Grace H-G II Inc.	Coalgrace II Inc.	Gracecoal II, Inc.	Gracoal, Inc.	Grace Drilling Company	Grace Petroleum Darya Incorporated
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net sales to non-filing entities	-	-	-	-	-	-	-	-	-	-
Net sales to filing entities	-	-	-	-	-	-	-	-	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	-	-	-	-	-
Interest and royalties from filing entities, net	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to third parties	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to non-filing entities	-	-	-	-	-	-	-	-	-	-
Cost of goods sold to filing entities	-	-	-	-	-	-	-	-	-	-
Selling, general and administrative expenses	-	-	-	-	-	-	-	-	-	-
Research and development expenses	-	-	-	-	-	-	-	-	-	-
Depreciation and amortization	-	-	-	-	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-	-	-	-	-
Other (income) expense	-	-	-	-	-	-	-	-	-	-
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Chapter 11 reorganization expenses, net	-	-	-	-	-	-	-	-	-	-
(Provision for) benefit from income taxes	-	-	-	-	-	-	-	-	-	-
Minority interest in income of subsidiary	-	-	-	-	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	-	-	-	-	-	-
Net (loss) income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.

W.R. Grace & Co. - Chapter 11 Filing Entities
Combining Statement of Operations
MOR - 2
Month Ended August 31, 2004

	Axial Basin Ranch Company	Hayden-Gulch West Coal Company	H-G Coal Company	Eliminations between Filing Entities	Conversion to Equity Method	COMBINED FILING ENTITIES
Net sales to third parties	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 77,764,634
Net sales to non-filing entities	-	-	-	-	-	31,671,900
Net sales to filing entities	-	-	-	(267,133)	-	-
Interest and royalties from non-filing entities, net	-	-	-	-	-	2,252,635
Interest and royalties from filing entities, net	-	-	-	54,490	-	-
	-	-	-	(212,643)	-	111,689,169
Cost of goods sold to third parties	-	-	-	-	-	25,533,894
Cost of goods sold to non-filing entities	-	-	-	-	-	21,303,972
Cost of goods sold to filing entities	-	-	-	(280,408)	-	-
Selling, general and administrative expenses	-	-	-	-	-	26,161,505
Research and development expenses	-	-	-	-	-	3,112,917
Depreciation and amortization	-	-	-	-	-	4,700,364
Interest expense	-	-	-	-	-	1,460,782
Other (income) expense	-	-	-	-	-	(427,135)
	-	-	-	(280,408)	-	81,846,298
(Loss) income before Chapter 11 reorganization expenses, income taxes, minority interest and equity in net income of non-filing entities	-	-	-	67,765	-	29,842,870
Chapter 11 reorganization expenses, net	-	-	-	-	-	(1,020,588)
(Provision for) benefit from income taxes	-	-	-	-	-	(4,149,200)
Minority interest in income of subsidiary	-	-	-	-	-	-
Equity in net income of non-filing entities	-	-	-	-	(9,759,540)	(9,759,540)
Net (loss) income	\$ -	\$ -	\$ -	\$ 67,765	\$ (9,759,540)	\$ 14,913,542

Note #2

Certain de minimis expenditures, including state registration fees, business license fees and certain taxes, of affiliated companies are accounted for in the statement of operations of W. R. Grace & Co. - Conn.